

SRD: USAO2022R00610

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA : *SAG* *23cr357*
: CRIMINAL NO. 23cr357
v. :
: Count One: 26 U.S.C. § 7206(2)
ADIS V. SMITH, : (Aiding and Assisting in the Preparation
Defendant. : of a False Tax Return)
: :
: ...0000000...
:

INFORMATION

COUNT ONE

26 U.S.C. § 7206(2)
Aiding and Assisting in the Preparation of a False Tax Return

The United States Attorney for the District of Maryland charges, at all times relevant to this Information:

INTRODUCTION

1. The defendant ADIS V. SMITH, a resident of Baltimore, Maryland, and later of Chula Vista, California, was in the business of preparing U.S. Individual Income Tax Returns, Forms 1040, for individuals (the “clients”) in exchange for fees.
2. From at least tax year 2017 through 2022, the defendant ADIS V. SMITH (“SMITH”) willfully prepared and filed materially false Forms 1040 on behalf of his clients.
3. SMITH falsified the Forms 1040 by including wholly fictitious or inflated Schedule C business losses. A Schedule C is an Internal Revenue Service (“IRS”) form that is attached to a Form 1040 used to report the gross receipts, expenses, and profit or loss from a business operated by the taxpayer as a sole proprietorship.
4. SMITH also falsified the Forms 1040 by including wholly fictitious or inflated

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Schedule A itemized deductions. A Schedule A is an IRS form that is attached to a Form 1040 used to claim certain permissible deductions from taxable income, such as gifts to charity and unreimbursed employee expenses.

5. The false Schedule C business losses and/or Schedule A itemized deductions included by SMITH on his clients' Forms 1040 had the effect of falsely reducing the clients' taxable income and typically generated a refund paid by the IRS to the client to which the client was not entitled.

6. After SMITH prepared the false Forms 1040 for his clients, he would file the tax returns with the IRS as if they had been self-prepared by the client, rather than by SMITH. Specifically, SMITH did not sign the Forms 1040 or include any information identifying himself as the paid tax return preparer who had prepared the tax return. This fraudulent, anonymous method of preparing tax returns is known as "ghost preparation."

7. SMITH engaged in ghost preparation to conceal his fraudulent activity from the IRS.

8. SMITH prepared and filed false Forms 1040 on behalf of clients in order to generate business through word-of-mouth referrals and to increase his own income.

9. SMITH'S fraudulent preparation of tax returns caused a tax loss to the United States of at least approximately \$4,729,311.

THE CHARGE

10. The allegations contained in paragraphs 1 through 9 of this Information are realleged and incorporated as if fully set forth in this paragraph.

11. On or about the date set forth below, in the District of Maryland and elsewhere, the defendant, ADIS V. SMITH, willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the IRS of a U.S. Individual Income Tax Return,

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Form 1040, for the taxpayer and calendar year set forth below, which were false and fraudulent as to a material matter. The tax return reported false Schedule C business losses and false Schedule A itemized deductions as listed below, whereas, as SMITH knew, the taxpayer did not have such business losses or itemized deductions.

Count	Approximate Filing Date	Taxpayer	Tax Year	False Items	Approximate False Amount
1	March 8, 2021	T.T.	2020	a) Schedule C, Line 31, Net profit or (loss) b) Schedule A, Line 11, Gifts to charity	a) (\$41,166) b) \$13,765

All in violation of Title 26, United States Code, Section 7206(2).

Date: October 4, 2023

MATTHEW COFER
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 EREK L. BARRON
 United States Attorney
 District of Maryland

DAVID A. HUBBERT
 Deputy Assistant Attorney General
 U.S. Department of Justice, Tax Division